notice of the termination of all collocation arrangements within that central office.[15] Similar to situations cited above, a number of uncertainties may exist, particularly in the case of a sale of the central office property until the agreement is actually consummated. Under such circumstances, a minimum period of 90 days is fair and workable for both Bell Atlantic and the collocator(s), particularly since those most interested in collocating have indicated that they have fully-redundant and diverse networks. This minimum interval will ensure that the collocator is afforded a reasonable amount of time to implement its network contingency plans.

In any instance of Bell Atlantic-initiated termination, Bell Atlantic will work with all affected collocators to ensure insofar as possible that their service needs are being met through alternative arrangements.

<u>Collocator-Initiated Termination - Notice Period</u>: Other than for the withdrawal of a collocation space order which has no notice period requirement, the same 90-day interval applied to LEC-initiated terminations is applied to collocator-initiated terminations. This is fair and reasonable because other potential collocators seeking space in that central office would be disadvantaged if established collocators were allowed to wait until the last minute before providing their termination notice, particularly where central office space is limited and where new collocators would have to accept less desirable locations within

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15. Bell Atlantic Tariff, § 19.3(J), p. 947.

the collocation central office. By requiring established collocators to make their plans known 90 days prior to termination, the new collocators could more promptly be assured of available space and the disruptions associated with construction of new collocation space could be avoided. Further, extension of this same notice requirement to other collocation services such as the cross-connects will facilitate better planning and more efficient use of existing cable and equipment used to serve other existing or new collocators.

Differences In Length Between LEC And Collocator Discontinuance-Notice Periods: Bell Atlantic's notice requirements as discussed above, or in the case of violations to tariff terms such as non payment, result in the same 90 day period.

H. Are the LECs' provisions permitting them to terminate a collocation arrangement reasonable?

LEC-Initiated Discontinuance Of Service For Any Vs. Only Material Tariff Term Violations: As already discussed, Bell Atlantic's tariff requires that it provide a written notice to the collocator 30 days before discontinuing service when the collocator has violated terms of the tariff (*e.g.*, collocator non payment).[16] This tariff provision is identical to that applied to all other customers who purchase services provided through Bell Atlantic's interstate access tariff and is necessary to ensure compliance with such tariff provisions, all of which are considered "material" in nature. Bell Atlantic has a legal obligation to enforce its tariffs and any attempt to distinguish among tariff provisions on the basis of some theoretical standard of materiality is inconsistent with that obligation.

Termination Charges - Conditions: Bell Atlantic will incur several types of cost at the time of partial or full termination. In the case of a partial termination, costs associated with reducing the cage size and modifying electrical receptacles and overhead lighting will be incurred as will costs associated with obtaining local permits and inspections, when required. In the case of full termination, restoration costs may apply if no additional collocator demand is anticipated there and if Bell Atlantic anticipates the need for the space in the same

16. Bell Atlantic Tariff, § 2.1.8(B), p. 29.

condition that existed prior to the collocator's initial request for occupancy that led to the establishment of the collocation configuration. Bell Atlantic will also need to recover the costs of excessive repair or cleaning. Collocators should pay Bell Atlantic the costs incurred under such rehabilitation.

Prohibition On Termination - Conditions: There should be no prohibition on the termination of a collocation agreement, although as discussed above, there should be rules governing such terminations. A collocator should not be permitted to obtain a "stay" of a legitimate termination by simply filing a Section 208 complaint. If filing a complaint automatically stayed a termination, the LECs would be in jeopardy of having to provide service for prolonged periods without receiving payment. At the very least, if termination of a collocation agreement is postponed or delayed pending the outcome of a § 208 proceeding, the collocator should be required to post a bond equal to the LEC's potential damages including lost revenues.

I. Are the LECs' provisions regarding termination of collocation arrangements in the event of a catastrophic loss reasonable?

Catastrophic Loss - Time Period To Inform Collocators Of Plans: Bell Atlantic's tariff requires that it provide a written notice to the collocator within 90 days of the loss specifying a date for termination within a period not to exceed 60 days from the notice to the collocator.[17] Such circumstances necessitate input or directives from a number of entities such as the local fire department or other governmental agencies like the Environmental Protection Agency (EPA), insurers and contractors. Bell Atlantic's ability to remedy such central office damages or its decisions regarding the fate of the affected central office would be heavily influenced by these outside concerns. For example, the EPA will not allow remedial activity to commence until after its 30-day environmental impact study is completed. The collocation tariff intervals were established to enable Bell Atlantic to formulate its plans following the completion of such studies and the receipt of such input or directives and to ensure that the collocator is afforded a reasonable amount of time following the occurrence of the damage to implement its contingency/disaster recovery plans.

Catastrophic Loss - Numerous Requirements On LECS: Proposals of several potential collocators would place on Bell

17. Bell Atlantic Tariff, § 19.3.7(G)(4), p. 962.

Atlantic specific requirements for the provision of alternative facilities or arrangements in the case of a catastrophic event and that would, in some instances, supersede long-established and adhered to National Security Emergency Preparedness (NSEP) requirements. Those proposals are unjustified and unnecessarily burdensome. Requirements such as those identified for discussion in the *Designation Order* would, in certain instances, be impossible to meet and could create additional risks to Bell Atlantic's network.

For instance, in the case of (1) where a collocator's space is not usable but the central office is, requiring Bell Atlantic to provide alternative space and other facilities within the central office without regard to the availability of additional space or the ability to secure operational communications equipment would be unreasonable and irresponsible. Under such circumstances, Bell Atlantic would work with all affected customers in the order sanctioned by NSEP Telecommunications Service Priority restoration guidelines. Problems unique to non-NSEP collocation arrangements would have to be resolved at the time when NSEP priorities have been met. Based on assertions made by many potential collocators regarding their fully-redundant and diverse networks, Bell Atlantic does not expect this to be a problem.

In addition, requiring Bell Atlantic to unconditionally cover costs associated with the re-establishment of a collocator's arrangements, as proposed by some potential collocators, would force Bell Atlantic to assume the business risk for its competitors which is not reasonable.

K. Are the LECs' insurance provisions reasonable?

Bell Atlantic's insurance and indemnity provisions are designed solely to keep Bell Atlantic whole in the event of a loss caused by a collocator. As shown in the attached letters (Exhibit 15) from Marsh & McLennan, Inc., the largest broker of property and casualty insurance in the world, Bell Atlantic's provisions are consistent with those in comparable real estate leases. Bell Atlantic itself has had experience in this area. Seven years ago, it suffered an $11 million loss in a fire in a non-central office computer facility that was the fault of an unaffiliated contractor. Because that contractor's insurance was inadequate, Bell Atlantic still has been unable to recover all of its damages. A similar fire in a central office could be expected to cause much greater damage.

Bell Atlantic has no objection to a collocator's self-insuring, so long as that company demonstrates its financial capacity to self-insure.[18] Several of the CAPs are affiliates of large, well-financed companies which could be expected to qualify as self-insurers.

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18. Bell Atlantic will provide a standard list of needed documentation on request.

L. Are the LECs' liability provisions reasonable?

Primary Liability Coverage: Telephone company tariffs have traditionally limited their liability for certain actions. Such limitations on liability have been traditionally upheld as reasonable as part of the LEC's universal service obligation to hold down the overall cost of local telephone service. As collocators do not have a universal service obligation and, thus, an obligation to serve all the public at reasonable rates, no reason or basis exists for limiting their liability. In addition, collocators are non-affiliates entering telephone company offices. As a real estate tenant, it is reasonable for the collocator, like tenants in other situations, to assume liability for damage to others' property caused by its negligence or tortious conduct. Certainly, it would be reasonable for collocators, under like circumstances, to include similar tariff provisions to those of Bell Atlantic.

Three Year Limitation Period: The 3-year period is reasonable because it holds collocators liable for damages they are responsible for even though the causative factor did not come to light until after termination of the collocation agreement.

M. Are the LECs' provisions regarding whether to bill from their state or interstate expanded interconnection tariffs reasonable?

Because collocation connection elements (cross-connect, connection service and network cable rack) provide interconnection to special access services in lieu of and in a manner similar to standard special access channel terminations, the application of the existing ten-percent rule to those elements is appropriate. Further, for special access collocation, the ten-percent rule seems appropriate for all other tariff elements as well (*e.g.*, occupancy fees and DC power). Based on the jurisdiction of the end user channel termination of each collocated circuit, Bell Atlantic will already know the reported jurisdiction for each of the originating connection services provided through each collocator's space. Therefore, additional customer reporting will not be necessary. Instead, Bell Atlantic will perform annual studies to determine the jurisdiction of all special access services provided through each collocator's space and, after applying the ten-percent rule to that combined total, will bill the other tariff elements based on the resulting overall jurisdiction.

N. Are the LECs' provisions regarding letters of agency reasonable?

Bell Atlantic requires and uses letters of agency (LOAs) under the same terms and conditions as currently required and used for special access. In addition, billing will be pursuant to the same rules that apply to Special Access billing arrangements.

O. Are the LECs' provisions regarding inspections of interconnector space and facilities reasonable?

After notification is provided to the collocator, Bell Atlantic's tariff allows it to inspect the completed installation of the collocator's equipment and facilities and to make subsequent and periodic inspections of the collocator's equipment and facilities occupying the collocator's space(s) within Bell Atlantic's central office buildings. In each case, the collocator has the right to be present at the time of inspection.

Such inspections are necessary for a number of reasons, the key one being the detection of problems that could damage other collocators' equipment and the central office and equipment within that central office that Bell Atlantic uses to provide service to other customers. In addition, Bell Atlantic must ensure compliance with regulations of federal, state and local agencies (*e.g.*, OSHA) as well as those of the company that insures many of its central offices (this insurance company requires and conducts inspections of each of the central offices that it insures at least every year, and in some cases twice a year). Without inspections of the collocator's facilities, violations could remain undetected. These violations could result in fines or other sanctions against Bell Atlantic by governmental agencies and lead to increased insurance premiums to Bell Atlantic.

Costs associated with the initial inspection are recovered through the space preparation charges, and costs associated with the subsequent and periodic inspections are recovered through the occupancy fees. Costs incurred because of additional inspections which are necessitated by violations identified during the initial or subsequent and periodic inspections will be recovered from the collocator which had been found to be in violation and will be determined on a time-and-material basis. This approach is fair and reasonable because it ensures full cost recovery while at the same time helps to prevent service-affecting situations and violations of governmental and insurance company regulations.

P. Should LECs be permitted to include provisions regarding the payment of taxes and similar assessments by interconnectors?

Bell Atlantic's tariff does not currently contain a provision requiring an interconnector to pay, before delinquency, all taxes and other charges assessed on the interconnection operations and equipment located at the leased site.

LIST OF EXHIBITS

BELL ATLANTIC EXHIBIT 1

COST OF CAPITAL

JURISDICTION	% DEBT	PROSPECTIVE LTD RATE	% EQUITY	EQUITY COST RATE	PROSPECTIVE COST OF CAPITAL
C&P – DC	40.0%	8.9%	60.0%	15.75%	13.0%
C&P – MARYLAND	40.0%	8.9%	60.0%	15.75%	13.0%
C&P – VIRGINIA	40.0%	8.3%	60.0%	15.75%	12.8%
C&P – W. VIRGINIA	40.0%	8.9%	60.0%	15.75%	13.0%
NEW JERSEY	40.0%	8.3%	60.0%	15.75%	12.8%
BELL OF PA	40.0%	8.6%	60.0%	15.75%	12.9%
DIAMOND STATE	40.0%	8.3%	60.0%	15.75%	12.8%
BELL ATLANTIC	40.0%	8.6%	60.0%	15.75%	12.9%

BELL ATLANTIC **EXHIBIT 2**

DEPRECIABLE LIVES

FRC	INVESTMENT	DC	MD	VA	WV	NJ	PA	DE
4C	CONDUIT							
	Depreciable Life	55	60	55	50	60	60	60
60C	BUILDINGS							
	Depreciable Life	44	58	60	50	50	56	52
62C	BUILDING CABLE							
	Depreciable Life	20	22	24	19	22	23	20
357C	DIGITAL CIRCUIT EQUIPMENT							
	Depreciable Life	13	12	12.5	12	13	11.5	13

SOURCE: FCC PRESCRIBED PARAMETERS

BELL ATLANTIC

EXHIBIT 3
WORKPAPER 5-3
TRANS. NO. 557

DESIGN AND PLANNING FEE
PHYSICALLY-COLLOCATED INTERCONNECTION

POSITION	LABOR RATE	TIME	LABOR COSTS	TRAVEL EXPENSES	TOTAL
PROJECT COORDINATION					
– Local Coordinator	$69.80	4.00	$279.20	$86.70	$365.90
– Project Manager	$74.17	2.00	$148.34	$0.00	$148.34
ENGINEERING					
– Outside Plant, Network, Power	$69.80	15.50	$1,081.90	$346.80	$1,428.70
REAL ESTATE					
– Planning, Administration	$91.33	8.50	$776.31	$111.90	$888.21
NETWORK OPERATIONS	$75.41	4.00	$301.64	$0.00	$301.64
SECURITY	$80.38	3.75	$301.43	$177.00	$478.43
MARKETING					
– Service Representative	$38.39	0.75	$28.79	$0.00	$28.79
TOTAL COSTS			$2,917.60	$722.40	$3,640.00
RATE					$3,640.00

BELL ATLANTIC

EXHIBIT 4
WORKPAPER 5-4
TRANS. NO. 557

DESIGN AND PLANNING FEE
VIRTUALLY-COLLOCATED INTERCONNECTION

POSITION	LABOR RATE	TIME	LABOR COSTS	TRAVEL EXPENSES	TOTAL
PROJECT COORDINATION					
– Local Coordinator	$69.80	5.50	$383.90	$86.70	$470.60
– Project Manager	$74.17	3.50	$259.60	$0.00	$259.60
ENGINEERING					
– Outside Plant, Network, Power	$69.80	11.75	$820.15	$346.80	$1,166.95
NETWORK OPERATIONS	$75.41	4.00	$301.64	$0.00	$301.64
MARKETING					
– Service Representative	$38.39	0.75	$28.79	$0.00	$28.79
TOTAL COSTS			$1,794.08	$433.50	$2,227.58
RATE					$2,228.00

BELL ATLANTIC

EXHIBIT 5
WORKPAPER 5-5
TRANS. NO. 557

CABLE SUPPORT STRUCTURE AND INSTALLATION COSTS
PHYSICALLY-COLLOCATED INTERCONNECTION

LINE	CATEGORY	SOURCE	RESULT
	CABLE SUPPORT MONTHLY COSTS		
1	UNIT INVESTMENT	Cost Study	$12,486.72
2	DEPRECIATION	Cost Study	$294.88
3	COST OF MONEY	Cost Study	$1,367.47
4	INCOME TAX	Cost Study	$625.92
5	MAINTENANCE	Cost Study	$167.99
6	ADMINISTRATION	Cost Study	$357.45
7	OTHER TAX	Cost Study	$67.88
8	ANNUAL DIRECT COSTS	L2 + ... L7	$2,881.59
9	MONTHLY DIRECT COSTS	L8 / 12	$240.13
10	OVERHEAD LOADING FACTOR	WP 5-9, L22	1.6845
11	FULLY LOADED COSTS	L9 * L10	$404.50
12	MONTHLY RATE	Rounded	$405.00

	COST TO RATE RATIOS		
13	DIRECT COST TO INVESTMENT	L8 / L1	0.2308
14	DIRECT COST TO RATE	L9 / L12	0.5929

	CABLE INSTALLATION NONRECURRING COSTS		
15	CRAFT TECHNICIAN LABOR RATE	Cost Study	$43.24
16	HOURS REQUIRED FOR TASK	Labor Study	11.5
17	CABLE INSTALLATION COST	L15 * L16	$497.26
18	RATE	Rounded	$498.00

JENDOCO CONSTRUCTION CORPORATION

Exhibit 6

2000 lincoln road – pittsburgh, pennsylvania 15235-1197

(412) 361-4500
(412) 361-4790 (Fax)

July 12, 1993

FAX

Mr. C. E. Battista
Specialist - Real Estate
Planning, Design & Construction
The Bell Telephone Co. of PA
201 Stanwix Street, 12th Floor
Pittsburgh, PA 15222

Re: Bell - District C.O.
Special Access Collocation

Dear Chuck:

Per your request in your FAX dated July 6, 1993, we are providing quotations to furnish and install wire partitions as described in the letter from Mr. Ron Donaldson to yourself.

The price is to erect the cages in any of the C.O.'s in the Pittsburgh District and they would include a Best lock. We only include a shop coat of paint and touch-up in the field, we do not include a coat of paint in the field.

The prices are as follows:

Cages -	10' x 10'	$ 5,000.00
	10' x 20'	6,900.00
	10' x 30'	9,200.00
	10' x 40'	11,300.00

Tops for the following cages - add to cage price.

10' x 10'	ADD	$ 1,800.00
10' x 20'	ADD	3,300.00
10' x 30'	ADD	4,700.00
10' x 40'	ADD	6,200.00

If you have any questions concerning these prices, please contact the writer.

Very truly yours,

JENDOCO CONSTRUCTION CORPORATION

D. Guy Jackel

D. Guy Jackel
Senior Project Manager

NOTE: ALL PRICES INCLUDE SUPERVISION.

DGJ/lm

MASTER BUILDERS' ASSOCIATION OF WESTERN PENNA. INC. MBA

LANDOVER, MARYLAND 20785

Exhibit 7

DATE:Jul 08/93
PROJECT;F.C.C. LOCATION
JOB#9031-1
001

F.C.C. LOCATION.
INSTALLATION OF 20AMP DUPLEX RECPTACLE ON A 20AMP DEDICATED CIRCUIT.

MATERIAL	QTY	PRICE	U	HOURS	U	MATERIAL	LABOR
3/4" EMT	20	25.78	C	6.20	C	5.16	1.24
3/4" EMT CONN COMP/STEEL	2	119.00	C	40.46	C	2.38	0.81
3/4" EMT CPLG COMP/STEEL	2	141.00	C	94.47	C	2.82	1.89
#12 THHN	66	68.97	M	7.50	M	4.55	0.50
B2-1 RED VIRE CONN.	3	8.35	C	-------.--	C	0.25	0.00
4" SQ BOX 1-1/2 D 1/2 KO	1	148.00	C	35.00	C	1.48	0.35
4" SQ BLANK COVER	1	59.00	C	9.00	C	0.59	0.09
8365 4" SQ DUPLEX COVER	1	46.00	C	9.00	C	0.46	0.09
20A 125V DUPLEX REC (SG)	1	275.00	C	37.50	C	2.75	0.38
1/4" WEDGE ANCHOR (STAR)	5	29.39	C	20.00	C	1.47	1.00
1/4" BOLT (PLATED)	5	8.00	C	12.25	C	0.40	0.61
20A 1P BREAKER OPEN	1	7.25	E	0.25	C	7.25	0.00
TOTAL						$29.56	6.96

Material		29.56
Material Tax	(5.000 %)	1.48
Material Total		31.04
Journeyman	(6.96 Hrs @ $26.46)	184.16
Project Manager	(1.00 Hrs @ $40.00)	40.00
Labor Burden	(27.950 %)	62.65
Sub-Total		317.85
Overhead	(10.000 %)	31.78
Markup	(10.000 %)	34.96
Selling Price		384.59

Date Approved By

FISCHBACH & MOORE, INC.
8516 RAINSWOOD DRIVE
LANDOVER, MARYLAND 20785

EXHIBIT 8
Page 1 of 2

DATE:Jul 08/93
PROJECT:F.C.C. LOCATION
JOB#9031
001

F.C.C. LOCATION.
INSTALLATION OF ONE (1) TWO TUBE PENDANT FIXTURE.

NOTE: IF POWER SUPPLIED SUPPLIED FROM EXISTING PANEL INSTEAD OF NEW SUB-PANEL, ADD $8.07 PER FOOT.
INSTALLATION OF ONE (1) MOTION DETECTOR, ADD $300.00.
INSTALLATION OF ADDITIONAL LIGHTING FIXTURE, ADD $160.00
INSTALLATION OF ADDITIONAL BRANCH CIRCUIT HOME RUN,
ADD $120.00.

MATERIAL	QTY	PRICE	U	HOURS	U	MATERIAL	LABOR
3/4" EMT	40	25.78	C	6.20	C	10.31	2.48
3/4" EMT CONN COMP/STEEL	2	119.00	C	40.46	C	2.38	0.81
3/4" EMT CPLG COMP/STEEL	4	141.00	C	94.47	C	5.64	3.78
3/4" EMT STRAP	4	21.30	C	5.00	C	0.85	0.20
#12 THHN	165	68.97	M	7.50	M	11.38	1.24
B2-1 RED WIRE CONN.	4	8.35	C	------.--	C	0.33	0.00
4" SQ BOX 1-1/2 D 1/2 KO	2	148.00	C	35.00	C	2.96	0.70
4" SQ BLANK COVER	1	59.00	C	9.00	C	0.59	0.09
8361 4" SQ SWITCH COVER	1	43.40	C	9.00	C	0.43	0.09
20A 120-277V S/P SW (SG)	1	991.20	C	31.20	C	9.91	0.31
1G SS SWITCH PLATE	1	57.71	C	12.50	C	0.58	0.13
1/4" WEDGE ANCHOR (STAR)	8	29.39	C	20.00	C	2.35	1.60
1/4" BOLT (PLATED)	8	8.00	C	12.25	C	0.64	0.98
20A 1P BREAKER OPEN	1	7.20	E	0.25	E	7.20	0.25
4' WRAP-AROUND	1	50.00	E	110.00	C	50.00	1.10
MISCELLANEOUS MATERIAL	1	25.00	E	------.--	E	25.00	0.00
TOTAL						$130.55	13.76

Material		130.55
Material Tax	(5.000 %)	6.53
Material Total		137.08
Journeyman	(13.76 Hrs @ $26.46)	364.09
Project Manager	(2.00 Hrs @ $40.00)	80.00
Labor Burden	(27.950 %)	124.12
Sub-Total		705.29
Overhead	(10.000 %)	70.53
Markup	(10.000 %)	77.58

FISCHBACH & MOORE, INC.
8516 RAINSWOOD DRIVE
LANDOVER, MARYLAND 20785

PAGE # 2
DATE:Jul 08/93
PROJECT:F.C.C. LOCATION
JOB#9031
001

Selling Price	853.40

Date Approved By

BELL ATLANTIC

EXHIBIT 9
WORKPAPER 5-10
TRANS. NO. 557

OVERHEAD LOADING FACTOR
COLLOCATED INTERCONNECTION

LINE	CATEGORY	SOURCE	RESULT
1	Average Net Investment (ANI)	1991 ARMIS L1910	$680,840
2	Fixed Charges	1991 ARMIS L1510	$23,072
3	IRS Adjustment	1991 ARMIS L1520	($3,447)
4	FCC Adjustment	1991 ARMIS L1530	$0
5	Investment Tax Credit	1991 ARMIS L1540	$2,648
6	Total Operating Expenses	1991 ARMIS L1190	$272,565
7	Other Operating Income/Losses	1991 ARMIS L1290	($358)
8	Non Operating	1991 ARMIS L1390	$390
9	Other Taxes	1991 ARMIS L1490	$19,735
10	Uncollectibles	1991 ARMIS L1060	$2,168
11	Miscellaneous Revenues	1991 ARMIS L1040	$15,384
12	Total Plant	1991 ARMIS L1690	$1,239,942
13	General Support Facilities (GSF)	1991 ARMIS L1620	$233,623
14	Return	L1 * 11.25%	$76,595
15	Federal Income Tax	[(L14-L2+L3+L4-L5) *(.34/.66)]-L5	$21,784
16	Expenses and Other Taxes	L6+L8+L9	$292,690
17	Net Revenue Requirement	L14+L15+L16-L7	$391,427
18	Gross Revenue Requirement	L17+L10-L11	$378,211
19	GSF Net Investment	L1 / L12 * L13	$128,280
20	Direct ANI	L1-L19	$552,560
21	Special Access FLC Factor	L18 / L20	0.6845
22	Overhead Loading Factor	1+L21	1.6845